Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 TRSE-00 FRB-03 OPIC-03

AID-05 L-02 PM-03 NSC-05 SP-02 SS-15 RSC-01 PRS-01

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R 201405Z JAN 75 FM AMEMBASSY SAN SALVADOR TO SECSTATE WASHDC 7219

CONFIDENTIAL SAN SALVADOR 0208

E.O. 11652 - GDS TAGS: EFIN, ELTN, ES

SUBJ: IRCA NATIONALIZATION

REF: SAN SALVADOR 4436 OF NOVEMBER 8, 1974

1. LOCAL IRCA ATTORNEY DR GUILLERNO TRIGUEROS CALLED ON ECONOFF JAN 17 AND SHARED CORRESPONDENCE JUST RECEIVED FROM ABRAHAM WEBER, IRCA/US. SALIENT PARAGRAPH OF WEBER'S JAN 6 LETTER (COPY POUCHED ARA/CEN/ES) READS:

"AS IRCA HAS INDICATED IN THE PAST, THE ARBITRARY ACTIONS
OF THE GOVERNMENT OF EL SALVADOR -- TANTAMOUNT TO CONFISCATION OF
PROPERTY -- CANNOT GO UNCHALLENGED. TO THAT END, YOU AND DR
SALVADOR GUERRA HERCULES ARE AGAIN AUTHORIZED TO TAKE ALL NECESSARY STEPS IN EL SALVADOR TO PROSECUTE CLAIMS HELD BY IRCA
AGAINST THE GOVERNMENT AND OTHERS, AS WELL AS DEFEND ANY CLAIMS
ASSERTED AGAINST IRCA, UPON THE UNDERSTANDING THAT COMPENSATION
FOR SERVICES RENDERED SHALL BE CONTINGENT UPON SUCCESS IN MAKING
A RECOVERY FROM THE GOVERNMENT, WHETHER BY LITIGATION, SETTLEMENT, OR OTHERWISE."

2. TRIGUEROS HAS RECEIVED WHAT HE TERMS AN INADEQUATE POWER OF ATTORNEY FROM WEBER. HE ALSO APPEARS DISINCLINED TO CONTINUE HIS SERVICES ON THE BASIS OF WHAT WEBER OFFERS IN THE LETTER, I.E. "CONTINGENT COMPENSATION CONFIDENTIAL

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AFORESAID SHALL BE TWENTY-FIVE PERCENT OF ANY RECOVERY" (E.G.

"25 PERCENT OF NOTHING.") THESE TWO MATTERS WILL BE TAKEN UP BY TRIGUEROS WITH EX-IRCA MANAGER CURE (WHO SPEAKS SPANISH) WHEN TRIGUEROS IS NEXT IN THE US (PROBABLY LATE JANUARY). TRIGUEROS SAID IN THE MEANTIME HE PLANS NO LOCAL ACTION. HE SAID HE IS SURPRISED WEBER DID NOT COMMENT ON THE CLEARING UP OF LOCAL FINANCIAL ACCOUNTS OR ON TRIGUEROS' LAST LETTER WHICH SHOULD HAVE CONVEYED THE IMPRESSION THAT NO PROTESTS HAVE BEEN MADE LOCALLY SINCE HE, TRIGUEROS, LACKED INSTRUCTIONS NOR BELIEVED LEGAL RECOURSE EXISTED.

3. LASTLY, TRIGUEROS WANTED TO REPORT WHAT HE HOPED TO BE A MISUNDERSTANDING ON THE PART OF SALVADORAN AMBASSADOR TO THE US DR BETRAND GALINDO. DURING THE LATTER'S VISIT THIS WEEK TRIGUEROS, AS LEGAL CONSULTANT TO THE MINISTRY OF FOREIGN RELATIONS. PARTICIPATED TOGETHER IN A DISCUSSION OF THE US TRADE ACT. WHEN THE DISCUSSION TOUCHED ON THE INELIGIBILITY FOR THE GSP OF COUNTRIES WITH UNSETTLED EXPROPRIATIONS CLAIMS FOR US PROPERTY, IRCA WAS MENTIONED. AMBASSADOR BETRAND GALINDO REPORTEDLY SAID HE HAD BEEN TOLD BY THE "DEPARTMENT" THAT IT "APPROVED OF THE GOES ACTION ON IRCA." TRIGUEROS SAID HE "FROZE" AT THIS STATEMENT AND COUNTERED WITH HIS IMPRES-SION, FROM CONTACTS WITH THIS EMBASSY. THAT THE USG WAS WATCHING WITH INTEREST WHAT MAY DEVELOP AND THAT THE EMBASSY HAD NOT GIVEN HIM THE IMPRESSION THAT THE USG HAD CLOSED THE BOOKS ON THE MATTER. COMMENT: EMBASSY WOULD APPRE-CIATE ANY INFORMATION WHICH COULD EXPLAIN AMBASSADOR BETRAND GALINDO'S REPORTED IMPRESSION. MOSKOWITZ

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